

**Substitute for HOUSE BILL No. 2615**

By Committee on K-12 Education Budget

2-21

1 AN ACT concerning education; relating to public and private schools;  
2 creating the student empowerment act to authorize the establishment of  
3 education savings accounts for certain students to attend private schools  
4 and pay for other educational services; authorizing the state board of  
5 education and school districts to allow students to earn course credit  
6 through alternative educational opportunities outside of the traditional  
7 classroom; permitting students to transfer to and attend school in any  
8 school district in the state based on capacity limitations of school  
9 districts; amending K.S.A. 72-13,101, 72-3122, 72-3123, 72-3124, 72-  
10 3125 and 72-5134 and K.S.A. 2021 Supp. 79-32,117 and repealing the  
11 existing sections.  
12

13 *Be it enacted by the Legislature of the State of Kansas:*

14 New Section 1. Sections 1 through 17, and amendments thereto, shall  
15 be known and may be cited as the student empowerment act.

16 New Sec. 2. The legislature hereby declares that the purpose and  
17 intent of the student empowerment act is:

18 (a) To provide suitable provision for finance of the educational  
19 interests of all students in the state through all manner of education that  
20 suitably prepares our children to be productive members of our collective  
21 workforce and society;

22 (b) to protect the people's common interest in providing intellectual,  
23 educational, vocational and scientific improvement by establishing and  
24 maintaining public schools and other forms of education and their related  
25 activities that support the legislative goal established in K.S.A. 72-3218,  
26 and amendments thereto, by acknowledging the unique individuality and  
27 life experiences of each student and by recognizing each student's varied  
28 educational, social, emotional and environmental needs;

29 (c) to highlight the diversity of acquired knowledge needed to  
30 become productive members of society, while also recognizing the reality  
31 that a policy of "one size fits all" does not ensure that all students will be  
32 successful;

33 (d) to acknowledge that each student must be considered as a unique  
34 individual, with different educational supports needed to best function in  
35 the changing world; and

36 (e) to respect and invite parents to be their child's educational

1 opportunity steward from an academic, social, emotional and spiritual  
2 perspective that aligns their child with the best educational delivery model  
3 and environment.

4 New Sec. 3. As used in sections 1 through 17, and amendments  
5 thereto:

6 (a) "Account" means a student empowerment account.

7 (b) "BASE aid" means the amount of base aid for student excellence  
8 set forth in K.S.A. 72-5132, and amendments thereto, for the immediately  
9 preceding school year.

10 (c) "Eligible student" means a resident of Kansas who has not  
11 graduated from high school or obtained a general educational development  
12 credential, and who on and after July 1, 2023:

13 (1) Is enrolled in any school of a school district and qualifies for free  
14 or reduced-price meals under the national school lunch act;

15 (2) is enrolled in any school of a school district and has been  
16 identified as eligible to receive at-risk educational program services  
17 pursuant to K.S.A. 72-5153a, and amendments thereto; or

18 (3) has a student empowerment account established on their behalf  
19 pursuant to section 7, and amendments thereto.

20 (d) "Parent" means a parent, legal guardian, custodian or other person  
21 with authority to act on behalf of an eligible student.

22 (e) "Postsecondary educational institution" means any postsecondary  
23 educational institution or any private or out-of-state postsecondary  
24 educational institution as such terms are defined in K.S.A. 74-3201b, and  
25 amendments thereto.

26 (f) "Program" means the student empowerment program established  
27 under section 4, and amendments thereto.

28 (g) "Qualified private school" means any private school that:

29 (A) Is accredited by the state board of education or by any national or  
30 regional accrediting organization;

31 (B) provides instruction in those subjects required by K.S.A. 72-  
32 3214, 72-3217 and 72-3235, and amendments thereto; and

33 (C) is approved by the treasurer pursuant to section 12, and  
34 amendments thereto.

35 (h) "Resident school district" means the school district in which an  
36 eligible student is currently or would be enrolled based on such eligible  
37 student's residence.

38 (i) "Treasurer" means the state treasurer or the state treasurer's  
39 designee.

40 New Sec. 4. (a) The student empowerment program is hereby  
41 established and shall be administered by the treasurer. On and after July 1,  
42 2023, the treasurer shall establish a student empowerment account for each  
43 eligible student whose parent satisfies the requirements of this act.

1 (b) The treasurer shall maintain an explanation of the following  
2 information on the treasurer's website and provide a hard copy of such  
3 information to any person upon request:

4 (1) The options for participation in the program as provided in section  
5 8, and amendments thereto;

6 (2) the allowable uses of moneys in a student empowerment account;

7 (3) the responsibilities of a parent of an eligible student participating  
8 in the program;

9 (4) the effect of participation in the program by eligible students with  
10 an individualized education program (IEP) or an education plan under  
11 section 504 of the rehabilitation act of 1973, 29 U.S.C. § 794 (section 504  
12 plan);

13 (5) the duties of the treasurer;

14 (6) the procedure for appealing a decision of the treasurer;

15 (7) the name and telephone number of the treasurer's employee who  
16 may be contacted if a parent has questions about the program; and

17 (8) a list of qualified private schools.

18 New Sec. 5. (a) Whenever a student becomes eligible for the student  
19 empowerment program, such student's resident school district shall notify  
20 the parent of such student. Such notice shall include an explanation of the  
21 basis for such child's eligibility for the program, a copy of the results of the  
22 most recently administered state assessment for English language arts and  
23 state assessment for mathematics for such child, the name and telephone  
24 number of the school district employee who may be contacted if the parent  
25 has questions about the program and the name and telephone number of an  
26 employee of both the department of education and the state treasurer's  
27 office who may be contacted regarding the program. Such notice shall also  
28 include either a written description of the program, including the  
29 information described in section 4(b), and amendments thereto, or the  
30 website address where such description may be found on the treasurer's  
31 website. The school district shall continue to provide such notice each year  
32 that the student remains enrolled in the school district and remains eligible  
33 for the program.

34 (b) This section shall take effect and be in force from and after July 1,  
35 2023.

36 New Sec. 6. (a) For an eligible student to participate in the program,  
37 the parent of such eligible student shall enter into a written agreement with  
38 the treasurer, in such manner and form as prescribed by the treasurer.

39 (b) The agreement between the parent of an eligible student and the  
40 treasurer shall provide that:

41 (1) The eligible student shall participate in the program in accordance  
42 with section 8, and amendments thereto;

43 (2) the treasurer shall establish an account for the eligible student in

1 the student empowerment fund established by section 7, and amendments  
2 thereto;

3 (3) the parent shall comply with all requirements and rules and  
4 regulations of the program; and

5 (4) the moneys in the eligible student's account shall only be  
6 expended as authorized by the program.

7 (c) Only one account may be established for each eligible student. A  
8 parent acting on behalf of more than one eligible student shall have a  
9 separate written agreement for each eligible student.

10 (d) A written agreement entered pursuant to this act shall expire on  
11 July 31 immediately following the date the agreement becomes effective  
12 but may be terminated prior to such date pursuant to subsection (e). Each  
13 written agreement may be renewed by August 1 upon the written consent  
14 of the parent and the treasurer in a manner determined by the treasurer,  
15 except that the parent may submit a request to the treasurer for an  
16 extension of time for renewal not to exceed 30 days. Failure to renew a  
17 written agreement does not preclude renewal of such written agreement in  
18 a subsequent year. A written agreement that has been terminated pursuant  
19 to subsection (e) shall not be renewed.

20 (e) (1) A written agreement may be terminated by the treasurer upon a  
21 determination that:

22 (A) Moneys in an account have been used for purposes other than  
23 those allowed by the program;

24 (B) the eligible student no longer satisfies the qualifications of an  
25 eligible student; or

26 (C) the eligible student no longer participates in the program in  
27 accordance with section 8, and amendments thereto.

28 (2) A written agreement may be terminated by a parent at any time.  
29 To terminate a written agreement, such parent shall notify the treasurer in  
30 writing of such termination.

31 (3) When a written agreement is terminated, the account associated  
32 with such agreement shall be deemed inactive, and the treasurer shall close  
33 the account in accordance with section 7, and amendments thereto.

34 (f) This section shall take effect and be in force from and after July 1,  
35 2023.

36 New Sec. 7. (a) (1) There is hereby established in the state treasury  
37 the student empowerment fund to be administered by the treasurer.  
38 Moneys in the student empowerment fund shall be expended only for the  
39 purposes established in this act. All moneys received pursuant to section 9,  
40 and amendments thereto, shall be deposited in the state treasury in  
41 accordance with the provisions of K.S.A. 75-4215, and amendments  
42 thereto, and shall be credited to the student empowerment fund.

43 (2) The director of accounts and reports shall create a procedure for

1 the student empowerment fund to have individual student accounts therein.  
2 Each student's accumulated moneys in the student's account shall earn  
3 interest based on: (A) The average daily balance of moneys in each  
4 student's account for the preceding month; and (B) the net earnings rate of  
5 the pooled money investment portfolio for the preceding month. The  
6 amount of interest earned shall be added monthly to each student's account  
7 in the student empowerment fund.

8 (b) Upon execution of an agreement in accordance with section 6, and  
9 amendments thereto, the treasurer shall establish an account in the student  
10 empowerment fund in the state treasury in the name of the eligible student.  
11 Upon establishment of such account, the treasurer shall notify the resident  
12 school district of the establishment of such account for the eligible student.

13 (c) (1) If the eligible student is enrolled in a qualified private school,  
14 the treasurer shall transfer to such eligible student's account in the student  
15 empowerment fund an aggregate annual amount equal to the BASE aid.

16 (2) If the eligible student continues to be enrolled in such student's  
17 resident school district part-time, the treasurer shall transfer to such  
18 eligible student's account in the student empowerment fund an aggregate  
19 annual amount equal to that portion of the BASE aid that is inversely  
20 proportional to the amount of time such student is enrolled in such  
21 student's resident school district.

22 (d) The treasurer shall make transfers required under subsection (c) in  
23 quarterly installments pursuant to a schedule determined by the treasurer.

24 (e) The treasurer may deduct a percentage of the aggregate annual  
25 amount to be transferred into an eligible student's account as  
26 reimbursement for the administrative costs of implementing the provisions  
27 of this act as follows:

28 (1) Up to 5% each year for the first two years moneys are transferred  
29 to an eligible student's account; and

30 (2) up to 2.5% for the third year and for each subsequent year moneys  
31 are transferred to an eligible student's account.

32 (f) No transfers shall be made to an eligible student's account after  
33 such student has graduated from high school.

34 (g) (1) Each account shall remain active until:

35 (A) A written agreement is terminated pursuant to section 6, and  
36 amendments thereto;

37 (B) July 31 following the date on which the eligible student graduates  
38 from high school; or

39 (C) there are two consecutive years of nonrenewal of an agreement.

40 (2) If the treasurer determines an account is inactive, the treasurer  
41 shall close the account and certify the amount of moneys remaining in the  
42 account to the director of accounts and reports. Such certified amount shall  
43 remain in the student empowerment fund.

1 (h) The treasurer shall contract with a third party pursuant to  
2 competitive bids for a system for payment of services by participating  
3 parents by electronic funds transfer. Such system shall not require parents  
4 to be reimbursed for allowable expenses. All electronic funds transfers  
5 shall only be for expenditures approved by the treasurer.

6 (i) This section shall take effect and be in force from and after July 1,  
7 2023.

8 New Sec. 8. (a) An eligible student whose parent has entered into an  
9 agreement with the treasurer in accordance with section 6, and  
10 amendments thereto, shall participate in the program by:

11 (1) Continuing part-time enrollment in such student's resident school  
12 district and receiving additional educational services as allowed under the  
13 program; or

14 (2) enrolling in a qualified private school.

15 (b) Each year, the parent of a student participating in the program  
16 shall report to the treasurer whether such student is enrolled in such  
17 student's resident school district and, if so, the number of hours such  
18 student is attending.

19 (c) This section shall take effect and be in force from and after July 1,  
20 2023.

21 New Sec. 9. (a) On or before August 1 of each year, the treasurer  
22 shall determine the amount to be transferred to the student empowerment  
23 fund by:

24 (1) Multiplying an amount equal to the BASE aid by the total number  
25 of eligible students participating in the program, who are enrolled in a  
26 qualified private school;

27 (2) for each eligible student participating in the program who is  
28 enrolled part-time in a school district, multiplying an amount equal to the  
29 BASE aid by a ratio that is the inverse proportion of the amount of time  
30 each such student is enrolled and attending public school;

31 (3) adding together the amounts determined under paragraph (2) for  
32 all such students; and

33 (4) adding the total amounts determined under paragraphs (1) and (3).  
34 The resulting sum is the amount to be transferred to the student  
35 empowerment fund.

36 (b) The treasurer shall certify the resulting amounts to the director of  
37 accounts and reports. Upon receipt of such certification, the director shall  
38 transfer such certified amount from the state general fund to the student  
39 empowerment fund established in section 7, and amendments thereto.

40 (c) This section shall take effect and be in force from and after July 1,  
41 2023.

42 New Sec. 10. (a) Moneys in the eligible student's account may be  
43 accessed by such eligible student's parent but shall only be expended by

1 such parent for the following purposes:

2 (1) Tuition and fees charged by a qualified private school;

3 (2) textbooks and other supplies required by a qualified private  
4 school;

5 (3) fees for transportation provided by a qualified private school that  
6 is required for the eligible student to travel to and from such qualified  
7 private school;

8 (4) educational therapies or services provided by a licensed or  
9 accredited education provider;

10 (5) tutoring services provided by a certified tutor;

11 (6) curriculum materials;

12 (7) tuition or fees charged by an accredited private online learning  
13 program;

14 (8) fees for any nationally standardized norm-referenced achievement  
15 test, advanced placement examination or other examination related to  
16 admission to a postsecondary educational institution;

17 (9) services, programs, activities, classes or any other resources or  
18 programs provided or contracted by a school district;

19 (10) tuition and fees charged by a postsecondary educational  
20 institution; and

21 (11) any other education expenses approved by the treasurer.

22 (b) The treasurer shall notify the parent of any expenditures from an  
23 eligible student's account that do not meet the requirements of subsection  
24 (a). Such parent shall repay the cost of any such expenditures within 30  
25 days of notification by the treasurer.

26 (c) Except as provided in section 7, and amendments thereto, funds  
27 remaining in an account at the end of a school year shall roll over to the  
28 next succeeding school year.

29 (d) A qualified private school providing education services purchased  
30 with funds from an account shall not share, refund or rebate any portion of  
31 such funds to the parent or eligible student. Any such refund or rebate shall  
32 be made directly into the eligible student's account.

33 (e) No personal deposits may be made into an account.

34 (f) The treasurer shall conduct or contract to conduct annual audits of  
35 eligible student accounts to ensure compliance with the provisions of this  
36 act and may conduct or contract to conduct additional audits of eligible  
37 student accounts, as needed.

38 (g) If the treasurer determines moneys in an account have been used  
39 for purposes other than those allowed by subsection (a), the treasurer may:

40 (1) Prohibit expenditures from the account until such time as  
41 determined by the treasurer;

42 (2) prorate amounts to be deposited in such account under section 7,  
43 and amendments thereto, by an amount equal to the total amount used for

1 purposes other than those allowed by subsection (a); or

2 (3) terminate the account.

3 (h) This section shall take effect and be in force from and after July 1,  
4 2023.

5 New Sec. 11. (a) On or before September 1, 2023, and each year  
6 thereafter, the treasurer shall certify to the state board of education the  
7 names of the students participating in the student empowerment program,  
8 the resident school district of each such student and the qualified private  
9 school, if any, each such student is attending in the current school year.

10 (b) (1) On or before October 1, 2023, and each year thereafter, the  
11 state board shall determine the adjusted weightings funding amount in  
12 accordance with paragraph (2) and shall certify the amount so determined  
13 to the director of accounts and reports. At the same time as such  
14 certification is transmitted to the director of accounts and reports, the state  
15 board shall transmit a copy of such certification to the director of the  
16 budget and the director of legislative research. Upon receipt of each such  
17 certification, the director of accounts and reports shall transfer the amount  
18 certified, and such amount is appropriated for such fiscal year, from the  
19 state general fund to the state foundation aid account of the state general  
20 fund of the department of education.

21 (2) For each eligible student participating in the program who has  
22 participated for less than three years, the state board shall determine the  
23 amount of such student's resident school district's state foundation aid for  
24 the last school year during which such student was enrolled full-time in  
25 such district that is attributable to that portion of the following weightings  
26 that is directly attributable to such student's enrollment in the district: The  
27 low enrollment weighting, high enrollment weighting, bilingual weighting,  
28 at-risk student weighting and career technical education weighting. The  
29 state board shall then determine the aggregate of such amounts for each  
30 resident school district and the resulting sum is the adjusted weightings  
31 funding amount.

32 (c) This section shall take effect and be in force from and after July 1,  
33 2023.

34 New Sec. 12. (a) To become a qualified private school, an applicant  
35 shall submit an application to the treasurer on a form and in a manner  
36 prescribed by the treasurer. Such application shall include proof that the  
37 applicant is an accredited private school that provides instruction in those  
38 subjects required by K.S.A. 72-3214, 72-3217 and 72-3235, and  
39 amendments thereto.

40 (b) The treasurer shall approve an application or request additional  
41 information, as necessary, to prove an applicant meets the criteria to be  
42 deemed a qualified private school within 45 days of receiving the  
43 application. If the applicant is unable to provide such additional



1 information, the treasurer may deny the application.

2 (c) The treasurer shall conduct or contract to conduct an audit of a  
3 qualified private school, selected at random each year, to determine  
4 whether the qualified private school is compliant with the requirements of  
5 subsection (a).

6 (d) (1) The treasurer may revoke a qualified private school's approval,  
7 if the treasurer determines the qualified private school:

8 (A) Has routinely failed to comply with the provisions of this act or  
9 applicable rules and regulations; or

10 (B) has failed to provide any educational services required by law to  
11 an eligible student receiving instruction from the school, if the school is  
12 accepting payments made from such eligible student's account.

13 (2) Prior to revoking a qualified private school's approval, the  
14 treasurer shall notify such school of an impending revocation and the  
15 reason for such revocation. The qualified private school shall have 30 days  
16 from the time it was notified to cure the matter identified in the notice. If  
17 the qualified private school fails to cure such matter within 30 days, such  
18 school's approval shall be revoked. A qualified private school whose  
19 approval has been revoked shall not be allowed to participate in the  
20 program until such time the treasurer determines such school is in  
21 compliance with the requirements of this act.

22 (3) If the treasurer revokes a qualified private school's approval, the  
23 treasurer shall immediately notify each parent of an eligible student  
24 participating in the program and receiving instruction from such school.

25 (e) The treasurer may notify the attorney general or the county or  
26 district attorney of the county where the qualified private school is located,  
27 if a qualified private school's approval was revoked because of misuse of  
28 moneys paid from an account.

29 (f) This section shall take effect and be in force from and after July 1,  
30 2023.

31 New Sec. 13. (a) Enrollment of an eligible student in a qualified  
32 private school shall be considered a parental placement of such student  
33 under the individuals with disabilities education act, 20 U.S.C. § 1400 et  
34 seq.

35 (b) This section shall take effect and be in force from and after July 1,  
36 2023.

37 New Sec. 14. (a) On or before December 31, 2023, and each  
38 December 31 thereafter, the treasurer shall prepare and submit a report on  
39 the student empowerment program to the state board of education. The  
40 report shall include, but is not limited to, the following information for the  
41 immediately preceding school year:

42 (1) The total number of students participating in the program;

43 (2) the number of participating students enrolled on a part-time basis

1 in a school district and the average number of hours such students attended  
2 public school;

3 (3) the number of participating students enrolled in a qualified private  
4 school;

5 (4) the number of qualified private schools;

6 (5) the results of any audits conducted or contracted for by the  
7 treasurer; and

8 (6) the total cost to administer the program.

9 (b) On or before January 15, 2024, and each January 15 thereafter, the  
10 state board of education shall prepare and submit a report on the student  
11 empowerment program to the governor and the legislature. The report  
12 shall include, but is not limited to, the treasurer's report submitted pursuant  
13 to subsection (a) and the state foundation aid adjustments determined by  
14 the state board pursuant to section 11, and amendments thereto, for each  
15 school district for the immediately preceding school year.

16 (c) This section shall take effect and be in force from and after July 1,  
17 2023.

18 New Sec. 15. The treasurer's actions under this act shall be subject to  
19 the Kansas administrative procedure act and reviewable under the Kansas  
20 judicial review act. Any parent of a participating student or qualified  
21 private school aggrieved by a decision of the treasurer may appeal such  
22 decision in accordance with such acts.

23 New Sec. 16. On or before January 1, 2023, the treasurer shall adopt  
24 rules and regulations necessary to carry out the provisions of this act.

25 New Sec. 17. (a) Nothing in this act shall be deemed to limit the  
26 independence or autonomy of a qualified private school or to make the  
27 actions of a qualified private school the actions of the state government.

28 (b) This section shall take effect and be in force from and after July 1,  
29 2023.

30 New Sec. 18. (a) A board of education of a school district may adopt  
31 a policy to allow students enrolled in grades six through 12 to earn course  
32 credits through alternative educational opportunities with sponsoring  
33 entities. A school district's policy adopted pursuant to this section shall  
34 provide:

35 (1) Eligibility requirements for sponsoring entities;

36 (2) requirements for the provision of alternative educational  
37 opportunities by sponsoring entities;

38 (3) the procedures for a sponsoring entity to submit a proposal to the  
39 school district to provide an additional educational opportunity to students;

40 (4) the criteria the school district will use to evaluate such proposals;  
41 and

42 (5) the course credit that may be earned through the alternative  
43 educational opportunity by a participating student.

1 (b) A school district may accept a proposal from a sponsoring entity  
2 if the alternative educational opportunity provided by the sponsoring  
3 entity:

4 (1) Provides an additional learning opportunity for students through a  
5 work-based, pre-apprenticeship, apprenticeship, internship, industry  
6 certification or community program; and

7 (2) (A) is approved by the state board of education as an alternative  
8 educational opportunity pursuant to subsection (d); or

9 (B) complies with the school district policies adopted pursuant to  
10 subsection (a).

11 (c) Each approved alternative educational opportunity with a  
12 sponsoring entity shall be managed and directed by a licensed teacher  
13 employed by the school district.

14 (d) A sponsoring entity may petition the state board to approve an  
15 alternative educational opportunity that is provided through such  
16 sponsoring entity if the alternative educational opportunity provided  
17 through such sponsoring entity is generally applicable on a statewide or  
18 regional basis across multiple school districts. The state board of education  
19 shall approve or deny each petition proposing an alternative educational  
20 opportunity within 90 days of receipt of such proposal. If the state board  
21 denies the proposal, the state board shall provide the sponsoring entity the  
22 reasons for such denial. If the state board approves such proposal, any  
23 school district may implement the alternative educational opportunity. The  
24 state board may revoke any such approved proposal if the state board  
25 determines that the sponsoring entity fails to comply with the requirements  
26 of this section.

27 (e) Each school district shall report to the state department of  
28 education information regarding the school district's alternative  
29 educational opportunities offered at the school, the names of sponsoring  
30 entities, the number of students participating and credits earned.

31 (f) The state board of education may adopt rules and regulations for  
32 the administration of this section.

33 (g) As used in this section:

34 (1) "Alternative educational opportunity" means instruction that  
35 primarily occurs outside the classroom with a sponsoring entity.

36 (2) "Sponsoring entity" means a business, not-for-profit organization,  
37 nonprofit organization, trade association, parent of a student, teacher or  
38 administrator that partners with a school district to provide an alternative  
39 educational opportunity to students.

40 New Sec. 19. (a) As used in K.S.A. 72-3122 through 72-3125, and  
41 amendments thereto, and section 20, and amendments thereto:

42 (1) "Homeless child" means a child who lacks a fixed, regular and  
43 adequate nighttime residence and whose primary nighttime residence is:

1 (A) A supervised publicly or privately operated shelter designed to  
2 provide temporary living accommodations, including welfare hotels,  
3 congregate shelters and transitional housing for the mentally ill;

4 (B) an institution that provides a temporary residence for individuals  
5 intended to be institutionalized; or

6 (C) a public or private place not designed for, or ordinarily used as, a  
7 regular sleeping accommodation for humans.

8 (2) "Nonresident student" or "nonresident transfer student" means a  
9 student who is enrolled and in attendance at or seeking to enroll and attend  
10 a school located in a district where such student is not a resident.

11 (3) "Parent" means and includes natural parents, adoptive parents,  
12 stepparents and foster parents.

13 (4) "Person acting as parent" means:

14 (A) A guardian or conservator; or

15 (B) a person, other than a parent, who:

16 (i) Is liable by law to maintain, care for or support the child;

17 (ii) has actual care and control of the child and is contributing the  
18 major portion of the cost of support of the child;

19 (iii) has actual care and control of the child with the written consent  
20 of a person who has legal custody of the child; or

21 (iv) has been granted custody of the child by a court of competent  
22 jurisdiction.

23 (5) "Receiving school district" means a school district of  
24 nonresidence of a student who attends school in such school district.

25 (6) "School district" means a school district organized and operating  
26 under the laws of this state.

27 (7) "Sending school district" means a school district of residence of a  
28 student who attends school in a school district not of the student's  
29 residence.

30 (8) "Sibling" means a brother or sister of the whole or half blood,  
31 adoptive brother or sister, a stepbrother or stepsister or a foster brother or  
32 foster sister.

33 (b) This section shall take effect and be in force on and after July 1,  
34 2023.

35 New Sec. 20. (a) On or before January 1, 2023, each board of  
36 education of a school district shall adopt a policy to determine the number  
37 of nonresident students that the school district has the capacity to accept in  
38 each grade level for each school of the school district.

39 (b) Such policy shall clearly specify the reasons that may be used by  
40 the board to deny:

41 (1) An application of a nonresident student seeking to transfer to such  
42 district. Such reasons for denial may include, but shall not be limited to,  
43 the nonresident student's record of school absenteeism, suspensions or

1 expulsions; and

2 (2) the continued enrollment of a nonresident student who previously  
3 transferred to such school district pursuant to a transfer request.

4 (c) Prior to adopting such policy, the board of education shall call and  
5 hold a hearing on the proposed policy. The board of education shall  
6 provide notice of such hearing, which shall include the time, date and  
7 place of the public hearing to be held on the proposed policy. Such notice  
8 shall be published at least once each week for two consecutive weeks in a  
9 newspaper of general circulation in the school district and shall also be  
10 posted on the school district's website.

11 (d) At such hearing, a representative of the board shall present the  
12 board's proposal for the policy and the board shall hear testimony  
13 regarding the proposed policy. Any parent or person acting as parent who  
14 is present at such hearing shall be allowed to speak at the public hearing.  
15 Following the public hearing, after consideration of the testimony and  
16 evidence presented or submitted at such public hearing, the board shall  
17 determine whether to adopt or revise the proposed policy at a subsequent  
18 public meeting of the board.

19 Sec. 21. On and after July 1, 2023, K.S.A. 72-13,101 is hereby  
20 amended to read as follows: 72-13,101. (a) In accordance with the  
21 provisions of this section, the boards of education of any two or more  
22 unified school districts may make and enter into agreements providing for  
23 the attendance of ~~pupils~~ *students* residing in one school district at school in  
24 kindergarten or any of the grades one through 12 maintained by any such  
25 other school district. The boards of education may also provide by  
26 agreement for the combination of enrollments for kindergarten or one or  
27 more grades, courses or units of instruction.

28 (b) Prior to entering into any agreement under authority of this  
29 section, the board of education shall adopt a resolution declaring that it has  
30 made a determination that such an agreement should be made and that the  
31 making and entering into of such an agreement would be in the best  
32 interests of the educational system of the school district. Any such  
33 agreement is subject to the following conditions:

34 (1) The agreement may be for any term not exceeding a term of five  
35 years.

36 (2) The agreement shall be subject to change or termination by the  
37 legislature.

38 (3) Within the limitations provided by law, the agreement may be  
39 changed or terminated by mutual agreement of the participating boards of  
40 education.

41 (4) The agreement shall make provision for transportation of ~~pupils~~  
42 *students* to and from the school attended on every school day, for payment  
43 or sharing of the costs and expenses of ~~pupil~~ *student* attendance at school,

1 and for the authority and responsibility of the participating boards of  
2 education.

3 (c) Provision by agreements entered into under authority of this  
4 section for the attendance of ~~pupils~~ *students* at school in a school district of  
5 nonresidence of such ~~pupils~~ *students* shall be deemed to be in compliance  
6 with the kindergarten, grade, course and units of instruction requirements  
7 of law.

8 (d) The board of education of any school district ~~which~~ *that* enters  
9 into an agreement under authority of this section for the attendance of  
10 ~~pupils~~ *students* at school in another school district may discontinue  
11 kindergarten or any or all of the grades, courses and units of instruction  
12 specified in the agreement for attendance of ~~pupils~~ *students* enrolled in  
13 kindergarten or any such grades, courses and units of instruction at school  
14 in such other school district. Upon discontinuing kindergarten or any  
15 grade, course or unit of instruction under authority of this subsection, the  
16 board of education may close any school building or buildings operated or  
17 used for attendance by ~~pupils~~ *students* enrolled in such discontinued  
18 kindergarten, grades, courses or units of instruction. The closing of any  
19 school building under authority of this subsection shall require a majority  
20 vote of the members of the board of education and shall require no other  
21 procedure or approval.

22 (e) ~~Pupils~~ *Students* attending school in a school district of  
23 nonresidence of such ~~pupils~~ *students* in accordance with an agreement  
24 made and entered into under authority of this section shall be counted as  
25 regularly enrolled in and attending school in the school district of  
26 residence of such pupils for the purpose of computations under the Kansas  
27 school equity and enhancement act, K.S.A. 72-5131 et seq., and  
28 amendments thereto.

29 (f) ~~Pupils~~ *Students* who satisfactorily complete grade 12 while in  
30 attendance at school in a school district of nonresidence of such ~~pupils~~  
31 *students* in accordance with the provisions of an agreement entered into  
32 under authority of this section shall be certified as having graduated from  
33 the school district of residence of such ~~pupils~~ *students* unless otherwise  
34 provided for by the agreement.

35 (g) *Students who are not residents of a school district and are*  
36 *attending the schools of the school district in accordance with the*  
37 *provisions of an agreement entered into under the authority of this section*  
38 *shall not be charged for attendance at school. The costs of providing for*  
39 *the attendance of such students at school shall be paid by the school*  
40 *district of residence of the students in accordance with the provisions of*  
41 *the agreement.*

42 Sec. 22. On and after July 1, 2023, K.S.A. 72-3122 is hereby  
43 amended to read as follows: 72-3122. (a) Any child who has attained the

1 age of eligibility for school attendance may attend school in the district ~~in~~  
2 ~~which~~ *where* the child lives, if:

3 (1) The child lives with a resident of the district and the resident is the  
4 parent, or a person acting as parent, of the child; ~~or~~

5 (2) subject to the provisions of subsection (c), the child lives in the  
6 district as a result of placement therein by a district court or by the  
7 secretary for children and families; or

8 (3) the child is a homeless child.

9 (b) Any child who has attained the age of eligibility for school  
10 attendance may attend school in a school district ~~in which~~ *where* the child  
11 is not a resident ~~if the school district in which the child resides has entered~~  
12 ~~into an agreement with such other school district in accordance with and~~  
13 ~~under authority of K.S.A. 72-13,101, 72-3123 or 72-3125, and~~  
14 amendments thereto.

15 (c) Any child who has attained the age of eligibility for school  
16 attendance and who lives at the Judge James V. Riddel boys ranch as a  
17 result of placement at such ranch by a district court or by the secretary for  
18 children and families shall be deemed a resident of unified school district  
19 No. 259, Sedgwick county, Kansas, ~~and~~. Any such child may attend  
20 school, which shall be maintained for such child by the board of education  
21 of such school district as in the case of a child who is a bona fide resident  
22 of the district.

23 (d) ~~As used in this section:~~

24 (1) ~~"Parent" means and includes natural parents, adoptive parents,~~  
25 ~~stepparents, and foster parents;~~

26 (2) ~~"person acting as parent" means (A) a guardian or conservator, or~~  
27 ~~(B) a person, other than a parent, who is liable by law to maintain, care for,~~  
28 ~~or support the child, or who has actual care and control of the child and is~~  
29 ~~contributing the major portion of the cost of support of the child, or who~~  
30 ~~has actual care and control of the child with the written consent of a person~~  
31 ~~who has legal custody of the child, or who has been granted custody of the~~  
32 ~~child by a court of competent jurisdiction; and~~

33 (3) ~~"homeless child" means a child who lacks a fixed, regular, and~~  
34 ~~adequate nighttime residence and whose primary nighttime residence is:~~  
35 ~~(A) A supervised publicly or privately operated shelter designed to provide~~  
36 ~~temporary living accommodations (including welfare hotels, congregate~~  
37 ~~shelters, and transitional housing for the mentally ill); or (B) an institution~~  
38 ~~that provides a temporary residence for individuals intended to be~~  
39 ~~institutionalized; or (C) a public or private place not designed for, or~~  
40 ~~ordinarily used as, a regular sleeping accommodation for human beings.~~

41 Sec. 23. On and after July 1, 2023, K.S.A. 72-3123 is hereby  
42 amended to read as follows: 72-3123. (a) (1) *On and after July 1, 2023*, the  
43 board of education of any school district ~~is hereby authorized to permit~~

1 pupils who are not residents of the school district shall permit nonresident  
2 students to enroll in and attend the schools of the district. The board of  
3 education may permit such pupils to attend school without charge or,  
4 subject to the provisions of subsection (b), may charge such pupils for  
5 attendance at school to offset, totally or in part, the costs of providing for  
6 such attendance. Amounts received under this subsection by the board of  
7 education of a school district for enrollment and attendance of pupils at  
8 school in regular educational programs shall be deposited in the general  
9 fund of the school district.

10 (b) Pupils who are not residents of a school district and are attending  
11 the schools of the school district in accordance with the provisions of an  
12 agreement entered into under authority of K.S.A. 72-13,101, and  
13 amendments thereto, shall not be charged for attendance at school. The  
14 costs of providing for the attendance of such pupils at school shall be paid  
15 by the school district of residence of the pupils in accordance with the  
16 provisions of the agreement. *at any time during the school year unless the*  
17 *number of transfers exceeds the capacity of a grade level for each school*  
18 *of a school district as determined pursuant to section 20, and amendments*  
19 *thereto.*

20 (2) *The school district shall enroll transfer students in the order in*  
21 *which the school district received the nonresident student transfer*  
22 *applications. If the capacity of a grade level for each school of a school*  
23 *district is insufficient to enroll all nonresident students, the school district*  
24 *shall select nonresident students when capacity becomes available in the*  
25 *order in which the school district receives the nonresident student transfer*  
26 *applications.*

27 (3) *A school district shall not charge tuition or fees to any*  
28 *nonresident student who transfers to such school district pursuant to this*  
29 *section except fees that are otherwise charged to every student enrolled in*  
30 *and attending school in the district.*

31 (4) *A school district may deny enrollment to a nonresident student in*  
32 *accordance with the policy adopted pursuant to section 20, and*  
33 *amendments thereto. A school district shall not accept or deny a*  
34 *nonresident student transfer based on ethnicity, national origin, gender,*  
35 *income level, disabling condition, proficiency in the English language,*  
36 *measure of achievement, aptitude or athletic ability.*

37 (5) *A nonresident student may be granted a one-year transfer and*  
38 *may continue to attend the receiving school district each year with the*  
39 *approval of the receiving school district. At the end of each school year, a*  
40 *school district may deny continued enrollment of the nonresident student*  
41 *in accordance with the policy adopted pursuant to section 20, and*  
42 *amendments thereto.*

43 (b) (1) *Any student who is the dependent child of a current member of*



1 *the United States armed forces, as defined in K.S.A. 48-3601, and*  
2 *amendments thereto, shall be eligible for admission to the school district*  
3 *of such student's choice regardless of the capacity of the school district. To*  
4 *be eligible, such student shall have at least one parent who:*

5 *(A) Has been issued a federal department of defense identification*  
6 *card; and*

7 *(B) can provide evidence that such parent is or will be on active duty*  
8 *status or active duty orders. "Active duty orders" means official military*  
9 *orders to another location in support of combat, contingency operation or*  
10 *a natural disaster for more than 30 consecutive calendar days.*

11 *(2) Any sibling of a nonresident student who transfers may attend*  
12 *school in the receiving school district if such school district has the*  
13 *capacity for such sibling and the school district has no reason for denial*  
14 *in accordance with the policy adopted pursuant to section 20, and*  
15 *amendments thereto.*

16 *(3) Any child in the custody of the department for children and*  
17 *families who is living in the home of a nonresident student who transfers*  
18 *may attend school in the receiving school district.*

19 *(c) A student may always enroll at any time in the school district*  
20 *where such student resides. Except for a child in the custody of the*  
21 *department for children and families, a nonresident student shall not*  
22 *transfer more than two times per school year to one or more receiving*  
23 *school districts.*

24 *(d) The parent of a student seeking a transfer shall apply on an*  
25 *application form prescribed by the state board. The application shall be*  
26 *filed with the superintendent of the receiving school district. On or before*  
27 *the first day of January, April, July and October, the superintendent shall*  
28 *file with the state board of education a statement that includes the names*  
29 *of the nonresident students granted a transfer to the school district, the*  
30 *sending school district of such student and the grade level of such student.*

31 *(e) By each first day of January, April, July and October, the board of*  
32 *education of each school district shall determine the number of*  
33 *nonresident students the school district has the capacity to accept in each*  
34 *grade level for each school of the school district. After determining the*  
35 *number of nonresident students the district has the capacity to accept, the*  
36 *board of education shall publish such capacity number in a prominent*  
37 *place on the school district's website and report such capacity number to*  
38 *the state department of education.*

39 *(f) If a transfer request is denied by a school district, the parent of the*  
40 *nonresident student who was denied transfer may appeal the denial to the*  
41 *receiving school district board of education within 10 calendar days of*  
42 *notification of such denial. The receiving school district board of*  
43 *education shall consider the appeal at such board's next regularly*

1 *scheduled meeting. If the receiving school district board of education*  
 2 *denies the appeal, such parent may appeal the denial to the state board of*  
 3 *education within 10 calendar days of such denial. The parent shall submit*  
 4 *to the state board and the superintendent of the receiving school district a*  
 5 *notice of appeal on a form prescribed by the state board. The appeal shall*  
 6 *be considered by the state board at such board's next regularly scheduled*  
 7 *meeting at which the parent and a representative from the receiving school*  
 8 *district may address the state board. The state board shall promulgate*  
 9 *rules and regulations to establish an appeals process authorized by this*  
 10 *section.*

11 (g) *Each school district board of education shall submit to the state*  
 12 *department of education the number of nonresident student transfers*  
 13 *approved and denied by such board and whether the denials were based*  
 14 *on capacity or if not based on capacity, the reason for such denial in*  
 15 *accordance with the policy adopted pursuant to section 20, and*  
 16 *amendments thereto. The state department of education shall collect and*  
 17 *report such data on such department's website.*

18 (h) *Each year, the state department of education shall randomly*  
 19 *select one school district and audit such school district to evaluate the*  
 20 *district's approved and denied nonresident student transfers and the*  
 21 *district's capacity level to determine if the school district complies with*  
 22 *nonresident student transfer laws and policies. The state department of*  
 23 *education shall annually report the results of such audit to the legislature.*

24 Sec. 24. On and after July 1, 2023, K.S.A. 72-3124 is hereby  
 25 amended to read as follows: 72-3124. (a) ~~As used in this section:~~

26 (1) ~~"School district" means a school district organized and operating~~  
 27 ~~under the laws of this state and no part of which is located in Johnson~~  
 28 ~~county, Sedgwick county, Shawnee county or Wyandotte county.~~

29 (2) ~~"Non-resident pupil" or "pupil" means a pupil who is enrolled and~~  
 30 ~~in attendance at a school located in a district in which such pupil is not a~~  
 31 ~~resident and who: (A) Lives 2½ or more miles from the attendance center~~  
 32 ~~the pupil would attend in the district in which the pupil resides and is not a~~  
 33 ~~resident of Johnson county, Sedgwick county, Shawnee county or~~  
 34 ~~Wyandotte county; or (B) is a member of the family of a pupil meeting the~~  
 35 ~~condition prescribed in subparagraph (A).~~

36 (3) ~~"Member of the family" means a brother or sister of the whole or~~  
 37 ~~half blood or by adoption, a stepbrother or stepsister, and a foster brother~~  
 38 ~~or foster sister.~~

39 (b) ~~The board of education of any school district may~~ *shall* allow any  
 40 ~~pupil~~ *student* who is not a resident of the district to enroll in and attend  
 41 school in such district *pursuant to K.S.A. 72-3123, and amendments*  
 42 *thereto.* The board of education of such district may furnish or provide  
 43 transportation to any ~~non-resident pupil~~ *nonresident student* who is

1 enrolled in and attending school in the district ~~pursuant to this section~~. If  
2 the district agrees to furnish or provide transportation to a ~~non-resident~~  
3 ~~pupil~~ *nonresident student*, such transportation shall be furnished or  
4 provided until the end of the school year. Prior to providing or furnishing  
5 transportation to a ~~non-resident pupil~~ *nonresident student*, the *receiving*  
6 *school* district shall notify the board of education of the *sending school*  
7 district ~~in which the pupil resides~~ that transportation will be furnished or  
8 provided *for such student*.

9 ~~(e) Pupils attending school in a school district in which the pupil does~~  
10 ~~not reside pursuant to this section~~

11 *(b) Nonresident students* shall be counted as regularly enrolled in and  
12 attending school in the *receiving school* district ~~where the pupil is enrolled~~  
13 for the purpose of computations under the Kansas school equity and  
14 enhancement act, K.S.A. 72-5131 et seq., and amendments thereto, except  
15 computation of transportation weighting under such act, and for the  
16 purposes of the statutory provisions contained in article 64 of chapter 72 of  
17 the Kansas Statutes Annotated, and amendments thereto. Such ~~non-~~  
18 ~~resident pupil~~ *nonresident student* shall not be charged for the costs of  
19 attendance at school.

20 Sec. 25. On and after July 1, 2023, K.S.A. 72-3125 is hereby  
21 amended to read as follows: 72-3125. (a) ~~As used in this section:~~

22 ~~(1) "Receiving school district" means a school district of~~  
23 ~~nonresidence of a pupil who attends school in such school district.~~

24 ~~(2) "Sending school district" means a school district of residence of a~~  
25 ~~pupil who attends school in a school district not of the pupil's residence.~~

26 ~~(b)~~ The board of education of any school district may make and enter  
27 into contracts with the board of education of any receiving school district  
28 located in this state for the purpose of providing for the attendance of  
29 ~~pupils~~ *students* at school in the receiving school district.

30 ~~(e)(b)~~ The board of education of any school district may make and  
31 enter into contracts with the governing authority of any accredited school  
32 district located in another state for the purpose of providing for the  
33 attendance of ~~pupils~~ *students* from this state at school in such other state or  
34 for the attendance of ~~pupils~~ *students* from such other state at school in this  
35 state.

36 ~~(d)(c)~~ *Pupils/Students* attending school in a receiving school district in  
37 accordance with a contract authorized by this section and made and  
38 entered into by such receiving school district with a sending school district  
39 located in this state shall be counted as regularly enrolled in and attending  
40 school in the sending school district for the purpose of computations under  
41 the Kansas school equity and enhancement act, K.S.A. 72-5131 et seq.,  
42 and amendments thereto.

43 ~~(e)(d)~~ Any contract made and entered into under authority of this

1 section is subject to the following conditions:

2 (1) The contract shall be for the benefit of ~~pupils~~ *students* who reside  
3 at inconvenient or unreasonable distances from the schools maintained by  
4 the sending school district or for ~~pupils~~ *students* who, for any other reason  
5 deemed sufficient by the board of education of the sending school district,  
6 should attend school in a receiving school district;

7 (2) the contract shall make provision for the payment of tuition by the  
8 sending school district to the receiving school district;

9 (3) if a sending school district is located in this state and the receiving  
10 school district is located in another state, the amount of tuition provided to  
11 be paid for the attendance of a ~~pupil~~ *student* or ~~pupils~~ *students* at school in  
12 the receiving school district shall not exceed  $\frac{1}{2}$  of the amount of the  
13 budget per ~~pupil~~ *student* of the sending school district under the Kansas  
14 school equity and enhancement act, K.S.A. 72-5131 et seq., and  
15 amendments thereto, for the current school year; and

16 (4) the contract shall make provision for transportation of ~~pupils~~  
17 *students* to and from the school attended on every school day.

18 ~~(f)~~(e) Amounts received pursuant to contracts made and entered into  
19 under authority of this section by a school district located in this state for  
20 enrollment and attendance of ~~pupils~~ *students* at school in regular  
21 educational programs shall be deposited in the general fund of the school  
22 district.

23 ~~(g)~~(f) The provisions of subsection ~~(e)(3)~~ (d)(3) do not apply to  
24 unified school district No. 107, Rock Hills.

25 ~~(h)~~(g) The provisions of this section do not apply to contracts made  
26 and entered into under authority of the special education for exceptional  
27 children act.

28 ~~(i)~~(h) The provisions of this section are deemed to be alternative to  
29 the provisions of K.S.A. 72-13,101, and amendments thereto, and no  
30 procedure or authorization under K.S.A. 72-13,101, and amendments  
31 thereto, shall be limited by the provisions of this section.

32 Sec. 26. On and after July 1, 2023, K.S.A. 72-5134 is hereby  
33 amended to read as follows: 72-5134. (a) In each school year, the state  
34 board shall determine the amount of state foundation aid for each school  
35 district for such school year. The state board shall determine the amount of  
36 the school district's local foundation aid for the school year. If the amount  
37 of the school district's local foundation aid is greater than the amount of  
38 total foundation aid determined for the school district for the school year,  
39 the school district shall not receive state foundation aid in any amount. If  
40 the amount of the school district's local foundation aid is less than the  
41 amount of total foundation aid determined for the school district for the  
42 school year, the state board shall subtract the amount of the school  
43 district's local foundation aid from the amount of total foundation aid.

1 *Subject to the provisions of subsection (b), the remainder is the amount of*  
2 *state foundation aid the school district shall receive for the school year.*

3 *(b) For school year 2023-2024 and each school year thereafter, the*  
4 *state board shall adjust the amount of state foundation aid for each school*  
5 *district in accordance with section 11, and amendments thereto.*

6 Sec. 27. On and after July 1, 2023, K.S.A. 2021 Supp. 79-32,117 is  
7 hereby amended to read as follows: 79-32,117. (a) The Kansas adjusted  
8 gross income of an individual means such individual's federal adjusted  
9 gross income for the taxable year, with the modifications specified in this  
10 section.

11 (b) There shall be added to federal adjusted gross income:

12 (i) Interest income less any related expenses directly incurred in the  
13 purchase of state or political subdivision obligations, to the extent that the  
14 same is not included in federal adjusted gross income, on obligations of  
15 any state or political subdivision thereof, but to the extent that interest  
16 income on obligations of this state or a political subdivision thereof issued  
17 prior to January 1, 1988, is specifically exempt from income tax under the  
18 laws of this state authorizing the issuance of such obligations, it shall be  
19 excluded from computation of Kansas adjusted gross income whether or  
20 not included in federal adjusted gross income. Interest income on  
21 obligations of this state or a political subdivision thereof issued after  
22 December 31, 1987, shall be excluded from computation of Kansas  
23 adjusted gross income whether or not included in federal adjusted gross  
24 income.

25 (ii) Taxes on or measured by income or fees or payments in lieu of  
26 income taxes imposed by this state or any other taxing jurisdiction to the  
27 extent deductible in determining federal adjusted gross income and not  
28 credited against federal income tax. This paragraph shall not apply to taxes  
29 imposed under the provisions of K.S.A. 79-1107 or 79-1108, and  
30 amendments thereto, for privilege tax year 1995, and all such years  
31 thereafter.

32 (iii) The federal net operating loss deduction, except that the federal  
33 net operating loss deduction shall not be added to an individual's federal  
34 adjusted gross income for tax years beginning after December 31, 2016.

35 (iv) Federal income tax refunds received by the taxpayer if the  
36 deduction of the taxes being refunded resulted in a tax benefit for Kansas  
37 income tax purposes during a prior taxable year. Such refunds shall be  
38 included in income in the year actually received regardless of the method  
39 of accounting used by the taxpayer. For purposes hereof, a tax benefit shall  
40 be deemed to have resulted if the amount of the tax had been deducted in  
41 determining income subject to a Kansas income tax for a prior year  
42 regardless of the rate of taxation applied in such prior year to the Kansas  
43 taxable income, but only that portion of the refund shall be included as

1 bears the same proportion to the total refund received as the federal taxes  
2 deducted in the year to which such refund is attributable bears to the total  
3 federal income taxes paid for such year. For purposes of the foregoing  
4 sentence, federal taxes shall be considered to have been deducted only to  
5 the extent such deduction does not reduce Kansas taxable income below  
6 zero.

7 (v) The amount of any depreciation deduction or business expense  
8 deduction claimed on the taxpayer's federal income tax return for any  
9 capital expenditure in making any building or facility accessible to the  
10 handicapped, for which expenditure the taxpayer claimed the credit  
11 allowed by K.S.A. 79-32,177, and amendments thereto.

12 (vi) Any amount of designated employee contributions picked up by  
13 an employer pursuant to K.S.A. 12-5005, 20-2603, 74-4919 and 74-4965,  
14 and amendments thereto.

15 (vii) The amount of any charitable contribution made to the extent the  
16 same is claimed as the basis for the credit allowed pursuant to K.S.A. 79-  
17 32,196, and amendments thereto.

18 (viii) The amount of any costs incurred for improvements to a swine  
19 facility, claimed for deduction in determining federal adjusted gross  
20 income, to the extent the same is claimed as the basis for any credit  
21 allowed pursuant to K.S.A. 79-32,204, and amendments thereto.

22 (ix) The amount of any ad valorem taxes and assessments paid and  
23 the amount of any costs incurred for habitat management or construction  
24 and maintenance of improvements on real property, claimed for deduction  
25 in determining federal adjusted gross income, to the extent the same is  
26 claimed as the basis for any credit allowed pursuant to K.S.A. 79-32,203,  
27 and amendments thereto.

28 (x) Amounts received as nonqualified withdrawals, as defined by  
29 K.S.A. 75-643, and amendments thereto, if, at the time of contribution to a  
30 family postsecondary education savings account, such amounts were  
31 subtracted from the federal adjusted gross income pursuant to K.S.A. 79-  
32 32,117(c)(xv), and amendments thereto, or if such amounts are not already  
33 included in the federal adjusted gross income.

34 (xi) The amount of any contribution made to the same extent the  
35 same is claimed as the basis for the credit allowed pursuant to K.S.A. 74-  
36 50,154, and amendments thereto.

37 (xii) For taxable years commencing after December 31, 2004,  
38 amounts received as withdrawals not in accordance with the provisions of  
39 K.S.A. 74-50,204, and amendments thereto, if, at the time of contribution  
40 to an individual development account, such amounts were subtracted from  
41 the federal adjusted gross income pursuant to subsection (c)(xiii), or if  
42 such amounts are not already included in the federal adjusted gross  
43 income.

1 (xiii) The amount of any expenditures claimed for deduction in  
2 determining federal adjusted gross income, to the extent the same is  
3 claimed as the basis for any credit allowed pursuant to K.S.A. 79-32,217  
4 through 79-32,220 or 79-32,222, and amendments thereto.

5 (xiv) The amount of any amortization deduction claimed in  
6 determining federal adjusted gross income to the extent the same is  
7 claimed for deduction pursuant to K.S.A. 79-32,221, and amendments  
8 thereto.

9 (xv) The amount of any expenditures claimed for deduction in  
10 determining federal adjusted gross income, to the extent the same is  
11 claimed as the basis for any credit allowed pursuant to K.S.A. 79-32,223  
12 through 79-32,226, 79-32,228 through 79-32,231, 79-32,233 through 79-  
13 32,236, 79-32,238 through 79-32,241, 79-32,245 through 79-32,248 or 79-  
14 32,251 through 79-32,254, and amendments thereto.

15 (xvi) The amount of any amortization deduction claimed in  
16 determining federal adjusted gross income to the extent the same is  
17 claimed for deduction pursuant to K.S.A. 79-32,227, 79-32,232, 79-  
18 32,237, 79-32,249, 79-32,250 or 79-32,255, and amendments thereto.

19 (xvii) The amount of any amortization deduction claimed in  
20 determining federal adjusted gross income to the extent the same is  
21 claimed for deduction pursuant to K.S.A. 79-32,256, and amendments  
22 thereto.

23 (xviii) For taxable years commencing after December 31, 2006, the  
24 amount of any ad valorem or property taxes and assessments paid to a state  
25 other than Kansas or local government located in a state other than Kansas  
26 by a taxpayer who resides in a state other than Kansas, when the law of  
27 such state does not allow a resident of Kansas who earns income in such  
28 other state to claim a deduction for ad valorem or property taxes or  
29 assessments paid to a political subdivision of the state of Kansas in  
30 determining taxable income for income tax purposes in such other state, to  
31 the extent that such taxes and assessments are claimed as an itemized  
32 deduction for federal income tax purposes.

33 (xix) For taxable years beginning after December 31, 2012, and  
34 ending before January 1, 2017, the amount of any: (1) Loss from business  
35 as determined under the federal internal revenue code and reported from  
36 schedule C and on line 12 of the taxpayer's form 1040 federal individual  
37 income tax return; (2) loss from rental real estate, royalties, partnerships, S  
38 corporations, except those with wholly owned subsidiaries subject to the  
39 Kansas privilege tax, estates, trusts, residual interest in real estate  
40 mortgage investment conduits and net farm rental as determined under the  
41 federal internal revenue code and reported from schedule E and on line 17  
42 of the taxpayer's form 1040 federal individual income tax return; and (3)  
43 farm loss as determined under the federal internal revenue code and

1 reported from schedule F and on line 18 of the taxpayer's form 1040  
2 federal income tax return; all to the extent deducted or subtracted in  
3 determining the taxpayer's federal adjusted gross income. For purposes of  
4 this subsection, references to the federal form 1040 and federal schedule  
5 C, schedule E, and schedule F, shall be to such form and schedules as they  
6 existed for tax year 2011, and as revised thereafter by the internal revenue  
7 service.

8 (xx) For taxable years beginning after December 31, 2012, and  
9 ending before January 1, 2017, the amount of any deduction for self-  
10 employment taxes under section 164(f) of the federal internal revenue  
11 code as in effect on January 1, 2012, and amendments thereto, in  
12 determining the federal adjusted gross income of an individual taxpayer, to  
13 the extent the deduction is attributable to income reported on schedule C,  
14 E or F and on line 12, 17 or 18 of the taxpayer's form 1040 federal income  
15 tax return.

16 (xxi) For taxable years beginning after December 31, 2012, and  
17 ending before January 1, 2017, the amount of any deduction for pension,  
18 profit sharing, and annuity plans of self-employed individuals under  
19 section 62(a)(6) of the federal internal revenue code as in effect on January  
20 1, 2012, and amendments thereto, in determining the federal adjusted gross  
21 income of an individual taxpayer.

22 (xxii) For taxable years beginning after December 31, 2012, and  
23 ending before January 1, 2017, the amount of any deduction for health  
24 insurance under section 162(l) of the federal internal revenue code as in  
25 effect on January 1, 2012, and amendments thereto, in determining the  
26 federal adjusted gross income of an individual taxpayer.

27 (xxiii) For taxable years beginning after December 31, 2012, and  
28 ending before January 1, 2017, the amount of any deduction for domestic  
29 production activities under section 199 of the federal internal revenue code  
30 as in effect on January 1, 2012, and amendments thereto, in determining  
31 the federal adjusted gross income of an individual taxpayer.

32 (xxiv) For taxable years commencing after December 31, 2013, that  
33 portion of the amount of any expenditure deduction claimed in  
34 determining federal adjusted gross income for expenses paid for medical  
35 care of the taxpayer or the taxpayer's spouse or dependents when such  
36 expenses were paid or incurred for an abortion, or for a health benefit plan,  
37 as defined in K.S.A. 65-6731, and amendments thereto, for the purchase of  
38 an optional rider for coverage of abortion in accordance with K.S.A. 40-  
39 2,190, and amendments thereto, to the extent that such taxes and  
40 assessments are claimed as an itemized deduction for federal income tax  
41 purposes.

42 (xxv) For taxable years commencing after December 31, 2013, that  
43 portion of the amount of any expenditure deduction claimed in



1 determining federal adjusted gross income for expenses paid by a taxpayer  
2 for health care when such expenses were paid or incurred for abortion  
3 coverage, a health benefit plan, as defined in K.S.A. 65-6731, and  
4 amendments thereto, when such expenses were paid or incurred for  
5 abortion coverage or amounts contributed to health savings accounts for  
6 such taxpayer's employees for the purchase of an optional rider for  
7 coverage of abortion in accordance with K.S.A. 40-2,190, and  
8 amendments thereto, to the extent that such taxes and assessments are  
9 claimed as a deduction for federal income tax purposes.

10 (xxvi) For all taxable years beginning after December 31, 2016, the  
11 amount of any charitable contribution made to the extent the same is  
12 claimed as the basis for the credit allowed pursuant to K.S.A. 72-4357, and  
13 amendments thereto, and is also claimed as an itemized deduction for  
14 federal income tax purposes.

15 (xxvii) For all taxable years commencing after December 31, 2020,  
16 the amount deducted by reason of a carryforward of disallowed business  
17 interest pursuant to section 163(j) of the federal internal revenue code of  
18 1986, as in effect on January 1, 2018.

19 (c) There shall be subtracted from federal adjusted gross income:

20 (i) Interest or dividend income on obligations or securities of any  
21 authority, commission or instrumentality of the United States and its  
22 possessions less any related expenses directly incurred in the purchase of  
23 such obligations or securities, to the extent included in federal adjusted  
24 gross income but exempt from state income taxes under the laws of the  
25 United States.

26 (ii) Any amounts received ~~which~~ that are included in federal adjusted  
27 gross income but ~~which~~ that are specifically exempt from Kansas income  
28 taxation under the laws of the state of Kansas.

29 (iii) The portion of any gain or loss from the sale or other disposition  
30 of property having a higher adjusted basis for Kansas income tax purposes  
31 than for federal income tax purposes on the date such property was sold or  
32 disposed of in a transaction in which gain or loss was recognized for  
33 purposes of federal income tax that does not exceed such difference in  
34 basis, but if a gain is considered a long-term capital gain for federal  
35 income tax purposes, the modification shall be limited to that portion of  
36 such gain ~~which~~ that is included in federal adjusted gross income.

37 (iv) The amount necessary to prevent the taxation under this act of  
38 any annuity or other amount of income or gain ~~which~~ that was properly  
39 included in income or gain and was taxed under the laws of this state for a  
40 taxable year prior to the effective date of this act, as amended, to the  
41 taxpayer, or to a decedent by reason of whose death the taxpayer acquired  
42 the right to receive the income or gain, or to a trust or estate from which  
43 the taxpayer received the income or gain.

1 (v) The amount of any refund or credit for overpayment of taxes on  
2 or measured by income or fees or payments in lieu of income taxes  
3 imposed by this state, or any taxing jurisdiction, to the extent included in  
4 gross income for federal income tax purposes.

5 (vi) Accumulation distributions received by a taxpayer as a  
6 beneficiary of a trust to the extent that the same are included in federal  
7 adjusted gross income.

8 (vii) Amounts received as annuities under the federal civil service  
9 retirement system from the civil service retirement and disability fund and  
10 other amounts received as retirement benefits in whatever form which  
11 were earned for being employed by the federal government or for service  
12 in the armed forces of the United States.

13 (viii) Amounts received by retired railroad employees as a  
14 supplemental annuity under the provisions of 45 U.S.C. §§ 228b(a) and  
15 228c(a)(1) et seq.

16 (ix) Amounts received by retired employees of a city and by retired  
17 employees of any board of such city as retirement allowances pursuant to  
18 K.S.A. 13-14,106, and amendments thereto, or pursuant to any charter  
19 ordinance exempting a city from the provisions of K.S.A. 13-14,106, and  
20 amendments thereto.

21 (x) For taxable years beginning after December 31, 1976, the amount  
22 of the federal tentative jobs tax credit disallowance under the provisions of  
23 26 U.S.C. § 280C. For taxable years ending after December 31, 1978, the  
24 amount of the targeted jobs tax credit and work incentive credit  
25 disallowances under 26 U.S.C. § 280C.

26 (xi) For taxable years beginning after December 31, 1986, dividend  
27 income on stock issued by Kansas venture capital, inc.

28 (xii) For taxable years beginning after December 31, 1989, amounts  
29 received by retired employees of a board of public utilities as pension and  
30 retirement benefits pursuant to K.S.A. 13-1246, 13-1246a and 13-1249,  
31 and amendments thereto.

32 (xiii) For taxable years beginning after December 31, 2004, amounts  
33 contributed to and the amount of income earned on contributions deposited  
34 to an individual development account under K.S.A. 74-50,201 et seq., and  
35 amendments thereto.

36 (xiv) For all taxable years commencing after December 31, 1996, that  
37 portion of any income of a bank organized under the laws of this state or  
38 any other state, a national banking association organized under the laws of  
39 the United States, an association organized under the savings and loan  
40 code of this state or any other state, or a federal savings association  
41 organized under the laws of the United States, for which an election as an  
42 S corporation under subchapter S of the federal internal revenue code is in  
43 effect, ~~which~~ that accrues to the taxpayer who is a stockholder of such

1 corporation and ~~which~~ *that* is not distributed to the stockholders as  
2 dividends of the corporation. For taxable years beginning after December  
3 31, 2012, and ending before January 1, 2017, the amount of modification  
4 under this subsection shall exclude the portion of income or loss reported  
5 on schedule E and included on line 17 of the taxpayer's form 1040 federal  
6 individual income tax return.

7 (xv) For all taxable years beginning after December 31, 2017, the  
8 cumulative amounts not exceeding \$3,000, or \$6,000 for a married couple  
9 filing a joint return, for each designated beneficiary that are contributed to:

10 (1) A family postsecondary education savings account established under  
11 the Kansas postsecondary education savings program or a qualified tuition  
12 program established and maintained by another state or agency or  
13 instrumentality thereof pursuant to section 529 of the internal revenue  
14 code of 1986, as amended, for the purpose of paying the qualified higher  
15 education expenses of a designated beneficiary; or (2) an achieving a  
16 better life experience (ABLE) account established under the Kansas ABLE  
17 savings program or a qualified ABLE program established and maintained  
18 by another state or agency or instrumentality thereof pursuant to section  
19 529A of the internal revenue code of 1986, as amended, for the purpose of  
20 saving private funds to support an individual with a disability. The terms  
21 and phrases used in this paragraph shall have the meaning respectively  
22 ascribed thereto by the provisions of K.S.A. 75-643 and 75-652, and  
23 amendments thereto, and the provisions of such sections are hereby  
24 incorporated by reference for all purposes thereof.

25 (xvi) For all taxable years beginning after December 31, 2004,  
26 amounts received by taxpayers who are or were members of the armed  
27 forces of the United States, including service in the Kansas army and air  
28 national guard, as a recruitment, sign up or retention bonus received by  
29 such taxpayer as an incentive to join, enlist or remain in the armed services  
30 of the United States, including service in the Kansas army and air national  
31 guard, and amounts received for repayment of educational or student loans  
32 incurred by or obligated to such taxpayer and received by such taxpayer as  
33 a result of such taxpayer's service in the armed forces of the United States,  
34 including service in the Kansas army and air national guard.

35 (xvii) For all taxable years beginning after December 31, 2004,  
36 amounts received by taxpayers who are eligible members of the Kansas  
37 army and air national guard as a reimbursement pursuant to K.S.A. 48-  
38 281, and amendments thereto, and amounts received for death benefits  
39 pursuant to K.S.A. 48-282, and amendments thereto, to the extent that  
40 such death benefits are included in federal adjusted gross income of the  
41 taxpayer.

42 (xviii) For the taxable year beginning after December 31, 2006,  
43 amounts received as benefits under the federal social security act ~~which~~

1 *that* are included in federal adjusted gross income of a taxpayer with  
2 federal adjusted gross income of \$50,000 or less, whether such taxpayer's  
3 filing status is single, head of household, married filing separate or married  
4 filing jointly; and for all taxable years beginning after December 31, 2007,  
5 amounts received as benefits under the federal social security act ~~which~~  
6 *that* are included in federal adjusted gross income of a taxpayer with  
7 federal adjusted gross income of \$75,000 or less, whether such taxpayer's  
8 filing status is single, head of household, married filing separate or married  
9 filing jointly.

10 (xix) Amounts received by retired employees of Washburn university  
11 as retirement and pension benefits under the university's retirement plan.

12 (xx) For taxable years beginning after December 31, 2012, and  
13 ending before January 1, 2017, the amount of any: (1) Net profit from  
14 business as determined under the federal internal revenue code and  
15 reported from schedule C and on line 12 of the taxpayer's form 1040  
16 federal individual income tax return; (2) net income, not including  
17 guaranteed payments as defined in section 707(c) of the federal internal  
18 revenue code and as reported to the taxpayer from federal schedule K-1,  
19 (form 1065-B), in box 9, code F or as reported to the taxpayer from federal  
20 schedule K-1, (form 1065) in box 4, from rental real estate, royalties,  
21 partnerships, S corporations, estates, trusts, residual interest in real estate  
22 mortgage investment conduits and net farm rental as determined under the  
23 federal internal revenue code and reported from schedule E and on line 17  
24 of the taxpayer's form 1040 federal individual income tax return; and (3)  
25 net farm profit as determined under the federal internal revenue code and  
26 reported from schedule F and on line 18 of the taxpayer's form 1040  
27 federal income tax return; all to the extent included in the taxpayer's  
28 federal adjusted gross income. For purposes of this subsection, references  
29 to the federal form 1040 and federal schedule C, schedule E, and schedule  
30 F, shall be to such form and schedules as they existed for tax year 2011  
31 and as revised thereafter by the internal revenue service.

32 (xxi) For all taxable years beginning after December 31, 2013,  
33 amounts equal to the unreimbursed travel, lodging and medical  
34 expenditures directly incurred by a taxpayer while living, or a dependent  
35 of the taxpayer while living, for the donation of one or more human organs  
36 of the taxpayer, or a dependent of the taxpayer, to another person for  
37 human organ transplantation. The expenses may be claimed as a  
38 subtraction modification provided for in this section to the extent the  
39 expenses are not already subtracted from the taxpayer's federal adjusted  
40 gross income. In no circumstances shall the subtraction modification  
41 provided for in this section for any individual, or a dependent, exceed  
42 \$5,000. As used in this section, "human organ" means all or part of a liver,  
43 pancreas, kidney, intestine, lung or bone marrow. The provisions of this

1 paragraph shall take effect on the day the secretary of revenue certifies to  
2 the director of the budget that the cost for the department of revenue of  
3 modifications to the automated tax system for the purpose of  
4 implementing this paragraph will not exceed \$20,000.

5 (xxii) For taxable years beginning after December 31, 2012, and  
6 ending before January 1, 2017, the amount of net gain from the sale of: (1)  
7 Cattle and horses, regardless of age, held by the taxpayer for draft,  
8 breeding, dairy or sporting purposes, and held by such taxpayer for 24  
9 months or more from the date of acquisition; and (2) other livestock,  
10 regardless of age, held by the taxpayer for draft, breeding, dairy or  
11 sporting purposes, and held by such taxpayer for 12 months or more from  
12 the date of acquisition. The subtraction from federal adjusted gross income  
13 shall be limited to the amount of the additions recognized under the  
14 provisions of subsection (b)(xix) attributable to the business in which the  
15 livestock sold had been used. As used in this paragraph, the term  
16 "livestock" shall not include poultry.

17 (xxiii) For all taxable years beginning after December 31, 2012,  
18 amounts received under either the Overland Park, Kansas police  
19 department retirement plan or the Overland Park, Kansas fire department  
20 retirement plan, both as established by the city of Overland Park, pursuant  
21 to the city's home rule authority.

22 (xxiv) For taxable years beginning after December 31, 2013, and  
23 ending before January 1, 2017, the net gain from the sale from Christmas  
24 trees grown in Kansas and held by the taxpayer for six years or more.

25 (xxv) For all taxable years commencing after December 31, 2020,  
26 100% of global intangible low-taxed income under section 951A of the  
27 federal internal revenue code of 1986, before any deductions allowed  
28 under section 250(a)(1)(B) of such code.

29 (xxvi) For all taxable years commencing after December 31, 2020,  
30 the amount disallowed as a deduction pursuant to section 163(j) of the  
31 federal internal revenue code of 1986, as in effect on January 1, 2018.

32 (xxvii) For taxable years commencing after December 31, 2020, the  
33 amount disallowed as a deduction pursuant to section 274 of the federal  
34 internal revenue code of 1986 for meal expenditures shall be allowed to  
35 the extent such expense was deductible for determining federal income tax  
36 and was allowed and in effect on December 31, 2017.

37 (xxviii) *For all taxable years beginning after December 31, 2022,*  
38 *amounts deposited in a student empowerment account established by an*  
39 *agreement between the taxpayer and the state treasurer pursuant to*  
40 *section 6, and amendments thereto.*

41 (d) There shall be added to or subtracted from federal adjusted gross  
42 income the taxpayer's share, as beneficiary of an estate or trust, of the  
43 Kansas fiduciary adjustment determined under K.S.A. 79-32,135, and

1 amendments thereto.

2 (e) The amount of modifications required to be made under this  
3 section by a partner ~~which~~ *that* relates to items of income, gain, loss,  
4 deduction or credit of a partnership shall be determined under K.S.A. 79-  
5 32,131, and amendments thereto, to the extent that such items affect  
6 federal adjusted gross income of the partner.

7 (f) No taxpayer shall be assessed penalties and interest from the  
8 underpayment of taxes due to changes to this section that became law on  
9 July 1, 2017, so long as such underpayment is rectified on or before April  
10 17, 2018.

11 Sec. 28. On and after July 1, 2023, K.S.A. 72-13,101, 72-3122, 72-  
12 3123, 72-3124, 72-3125 and 72-5134 and K.S.A. 2021 Supp. 79-32,117  
13 are hereby repealed.

14 Sec. 29. This act shall take effect and be in force from and after its  
15 publication in the statute book.